

Senate Joint Resolution

No. 11

Introduced by Senator DeSaulnier

April 29, 2013

Senate Joint Resolution No. 11—Relative to housing with services.

LEGISLATIVE COUNSEL'S DIGEST

SJR 11, as amended, DeSaulnier. Housing with services.

This measure would urge the President and Congress of the United States to support housing with services models to achieve federal goals of using subsidized housing as a platform for service and encourage the President and Congress of the United States to *direct the Centers for Medicare and Medicaid Services* to expand Sections 1115 and 1915(c) federal Medicare waivers to test and integrate services into affordable housing settings.

Fiscal committee: no.

1 WHEREAS, “Housing with services” is unlicensed, subsidized,
2 congregate properties for low-income seniors that provide access
3 to a range of health-related and supportive services available to
4 residents on a voluntary basis. Services are provided by
5 appropriately credentialed providers and can include care
6 coordination from an interdisciplinary team, resident service
7 coordinators, and health educators, or colocation of health services,
8 for example a federally qualified health center or Program of
9 All-Inclusive Care for the Elderly (PACE), onsite. Housing with
10 services can enable residents to age in place, reduce hospital and
11 emergency room usage, and postpone the need for costly
12 institutional care; and

1 WHEREAS, According to the California Department of Aging,
2 the population over 60 years of age is expected to grow more than
3 twice as fast as the total population. Older adults will have an
4 overall increase of 112 percent during the period from 1990 to
5 2020. California's oldest old-age group, those over 85 years of
6 age, will increase at an even faster rate than older adults, having
7 an overall increase of 143 percent during the period from 1990 to
8 2020. The surge of the 85 years of age and over age group in
9 California is expected to emerge most strongly between 2030 and
10 2040, as the first of the "baby boomers" reach 85 years of age; and

11 WHEREAS, Ten percent of Californians over 65 years of age
12 live in poverty, and 21 percent live below 150 percent of the
13 poverty line, according to the American Community Survey. In
14 the United States, the percent of older Americans in poverty
15 increases with age, with the oldest of elderly people most likely
16 to be poor. Nationwide, 10 percent of persons 75 years of age and
17 older were considered poor, compared to 8 percent of persons 65
18 to 74 years of age; and

19 WHEREAS, Approximately 1.3 million very low income seniors
20 are assisted through publicly subsidized housing, very low income
21 being defined as less than 50 percent of the area median income.
22 The Section 202 Supportive Housing for the Elderly program is
23 the only United States Department of Housing and Urban
24 Development (HUD) program that currently provides housing
25 exclusively for elderly households, with approximately 263,000
26 units. In 2006, HUD reported that 38 percent of all Section 202
27 properties reported having a service coordinator on staff. Service
28 coordinators in HUD developments for elderly persons and persons
29 with disabilities work with residents to coordinate a wide range
30 of services. These include the arrangement of transportation, meal
31 services, housekeeping, medication management, visits from
32 nurses, dentists, and massage therapists, haircuts, and social
33 activities; and

34 WHEREAS, The nexus between affordable senior housing and
35 long-term services and supports is natural. According to HUD's
36 fiscal year 2013 proposed budget, 38 percent of seniors in Section
37 202 properties are frail or near frail, requiring assistance with at
38 least three basic activities of living, such as eating, bathing,
39 grooming, dressing, or home management activities, and thus can
40 be considered at risk for premature institutionalization; and

1 WHEREAS, Research has also found that service-enriched housing
2 for the elderly, and the presence of service coordinators in
3 particular, enables older residents to remain in their homes longer.
4 A satisfaction study found that residents residing in properties that
5 offered service coordination had an average length of stay that was
6 six months longer than properties that did not offer service
7 coordination; and

8 WHEREAS, The cost of institutionalization exceeds the cost of
9 housing with services models. In 2004, the cost of a stay in a
10 nursing home funded by Medi-Cal was approximately \$49,000 on
11 average, while the cost of Section 202 housing plus the most
12 frequently provided services, such as food, transportation, and
13 housekeeping, is estimated to cost only \$13,000. If a fuller set of
14 personal services is provided for very frail elders, the cost of
15 housing plus services is estimated at approximately \$25,000, about
16 one-half of the cost of skilled nursing care; and

17 WHEREAS, As stated in HUD's fiscal year 2013 proposed
18 budget, it is the department's goal to use its housing as a platform
19 to deliver a wide variety of services to improve the quality of life
20 of its residents. HUD seeks to build formal and informal
21 relationships with public and private healthcare providers, and
22 with health education organizations, to provide access to healthcare
23 information and services for recipients of HUD assistance. HUD's
24 fiscal year 2013 proposed budget provides a total of \$625 million
25 for the Supportive Housing for the Elderly and the Supportive
26 Housing for Persons with Disabilities programs, which include
27 \$154 million to support 5,300 additional supportive housing units
28 to better connect residents with the supportive services they need
29 to age in place and live independently; and

30 WHEREAS, The state is directed under the Olmstead Plan to
31 improve its long-term care system so that its residents have
32 available an array of community care options that allow them to
33 avoid unnecessary institutionalization. The Olmstead Plan includes
34 goals to include services that transition individuals from
35 institutional settings to the most integrated settings appropriate for
36 their needs, including the California Community Transitions
37 (CCT). CCT is California's Money Follows the Person Program.
38 Numerous research studies cite access to affordable housing as a
39 barrier to transitioning a greater number of individuals out of
40 nursing homes; and

1 ~~WHEREAS, Many state programs have sought to rebalance~~
2 ~~spending of health care dollars toward home and community-based~~
3 ~~services and away from institutional settings, such as nursing~~
4 ~~homes. California is one of seven states that invested more~~
5 ~~Medicaid long-term care funding for Home and Community-Based~~
6 ~~Services than for long-term institutional care based on data from~~
7 ~~the 2008 and 2009. Subsidized housing communities can support~~
8 ~~additional rebalancing efforts by offering economies of scale that~~
9 ~~can increase service delivery efficiencies. These efficiencies can~~
10 ~~result in a more regular support presence and more affordable care;~~
11 ~~now, therefore, be it~~

12 *WHEREAS, “Housing with services” describes subsidized,*
13 *residential properties occupied by low-income seniors that provide*
14 *access to a range of health and supportive services on a voluntary*
15 *basis; and*

16 *WHEREAS, Services are provided by appropriately credentialed*
17 *providers and can include care coordination from an*
18 *interdisciplinary team, resident service coordinators, and health*
19 *educators; and*

20 *WHEREAS, Housing with services may be colocated with a*
21 *federally qualified health center or Program of All-Inclusive Care*
22 *for the Elderly (PACE) onsite; and*

23 *WHEREAS, Housing with services can enable residents to age*
24 *in place, reduce hospital and emergency room usage, and postpone*
25 *the need for costly institutional care; and*

26 *WHEREAS, California is home to the largest number of seniors*
27 *in the nation, and this population is expanding at a pace that is*
28 *unprecedented in history; and*

29 *WHEREAS, The Department of Finance’s Demographic*
30 *Research Unit estimates that California’s population that is 65*
31 *years of age or older will grow by 43 percent, from 4.4 million in*
32 *2010 to 6.35 million by 2020; an additional 39 percent, to 8.83*
33 *million by 2030; and an additional 21 percent, to 10.5 million by*
34 *2040. Today roughly one in ten people are 65 years of age or*
35 *older. By 2035 roughly one in five people will be that age; and*

36 *WHEREAS, According to the American Community Survey,*
37 *while 10 percent of Californians over 65 years of age live in*
38 *poverty, and 21 percent live below 150 percent of the poverty line,*
39 *the percent of older Americans in poverty increases with age, with*
40 *the oldest of elderly people at the greatest risk of being poor; and*

1 *WHEREAS, Approximately 1.3 million very low income seniors*
2 *are assisted through publicly subsidized housing. The Section 202*
3 *Supportive Housing for the Elderly program is the only United*
4 *States Department of Housing and Urban Development (HUD)*
5 *program that currently provides housing exclusively for elderly*
6 *households, supporting approximately 263,000 units, of which*
7 *34,322 units are administered through HUD's San Francisco and*
8 *Los Angeles hubs; and*

9 *WHEREAS, In 2006, HUD reported that 38 percent of all*
10 *Section 202 properties had a service coordinator on staff; and*

11 *WHEREAS, Service coordinators in HUD developments work*
12 *with residents to coordinate a wide range of services, including*
13 *transportation, meal services, housekeeping, medication*
14 *management, visits from nurses, dentists, and massage therapists,*
15 *haircuts, and social activities; and*

16 *WHEREAS, According to HUD's fiscal year 2013 proposed*
17 *budget, 38 percent of seniors in Section 202 properties are frail*
18 *or near frail, requiring assistance with at least three basic activities*
19 *of daily living, such as eating, bathing, grooming, dressing, or*
20 *home management activities, and thus can be considered at risk*
21 *for premature institutionalization; and*

22 *WHEREAS, Research has also found that service-enriched*
23 *housing for the elderly, and the presence of service coordinators*
24 *in particular, enables older residents to remain in their homes*
25 *longer; and*

26 *WHEREAS, A satisfaction study found that residents residing*
27 *in HUD properties that offered service coordination were able to*
28 *avoid the higher costs of institutionalization by an average of six*
29 *months longer than residents who lived in properties that did not*
30 *offer service coordination; and*

31 *WHEREAS, In 2012, the cost of a stay in a nursing home funded*
32 *by Medi-Cal was approximately \$82,500 annually on average,*
33 *while the cost of Section 202 housing with services, such as food,*
34 *transportation, and housekeeping, is estimated to cost*
35 *approximately \$13,000 to \$25,000, far less than the cost of skilled*
36 *nursing care; and*

37 *WHEREAS, As stated in HUD's fiscal year 2013 proposed*
38 *budget, it is HUD's goal to use its housing as a platform to deliver*
39 *a wide variety of services to improve the quality of life of its*
40 *residents; and*

1 WHEREAS, HUD seeks to build formal and informal relationships
2 with public and private health care providers, and with health
3 education organizations, to provide access to health care
4 information and services for recipients of HUD assistance; and

5 WHEREAS, HUD's fiscal year 2013 proposed budget provides
6 a total of \$625 million for the Supportive Housing for the Elderly
7 and the Supportive Housing for Persons with Disabilities
8 programs, which includes \$154 million to support 5,300 additional
9 supportive housing units to better connect residents with the
10 supportive services they need to age in place and live
11 independently; and

12 WHEREAS, The state is directed under the Olmstead Plan to
13 improve its long-term care system so that its residents are availed
14 an array of community care options that allow them to avoid
15 unnecessary institutionalization. The Olmstead Plan includes goals
16 to include services that transition individuals from institutional
17 settings to the most integrated settings appropriate for their needs,
18 including California's Money Follows the Person Program.
19 Numerous research studies cite access to affordable housing as a
20 barrier to transitioning a greater number of individuals out of
21 nursing homes; and

22 WHEREAS, Many state programs have sought to rebalance
23 spending of health care dollars toward home and community-based
24 services and away from institutional settings; and

25 WHEREAS, California is one of seven states that invested more
26 Medicaid long-term care funding for home and community-based
27 services than for long-term institutional care. Subsidized housing
28 communities can support additional rebalancing efforts by offering
29 economies of scale that can increase service delivery efficiencies;
30 now, therefore, be it

31 Resolved by the Senate and the Assembly of the State of
32 California, jointly, That the Legislature applauds methods that
33 promote greater collaboration between affordable housing providers
34 and ~~HCBS~~ home and community-based services that divert or
35 delay seniors from institutionalization and encourage aging in
36 place; and be it further

37 Resolved, That the Legislature urges the President and Congress
38 of the United States to support housing with services models,
39 innovations, and funding to achieve federal goals of using

1 subsidized housing as a platform for service delivery; and be it
2 further

3 *Resolved*, That the Legislature encourages the President and
4 Congress of the United States to *direct the Centers for Medicare*
5 *and Medicaid to* expand Sections 1115 and 1915(c) ~~federal~~
6 ~~Medicare-Medicaid~~ waivers to test and integrate services into
7 affordable housing settings; and be it further

8 *Resolved*, That the Secretary of the Senate transmit copies of
9 this resolution to the President and the Vice President of the United
10 States, to the Speaker of the House of Representatives, to the
11 Majority Leader of the Senate, *the appropriate policy committees*
12 *of both the House of Representatives and the Senate of the United*
13 *States*, and to each Senator and Representative from California in
14 the Congress of the United States.

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